

AMENDED IN SENATE MAY 23, 2006
AMENDED IN SENATE APRIL 20, 2006
AMENDED IN SENATE APRIL 17, 2006

SENATE BILL

No. 1198

Introduced by Senator Florez

January 24, 2006

An act to amend Sections ~~19960 and 19961~~ *and 19962* of the Business and Professions Code, relating to gambling.

LEGISLATIVE COUNSEL'S DIGEST

SB 1198, as amended, Florez. Local gambling.

~~(1) Existing law, the Gambling Control Act, provides for the licensure and regulation of various legalized gambling activities and establishments by the California Gambling Control Commission and the investigation and enforcement of those activities and establishments by the Division of Gambling Control within the Department of Justice. The act prohibits, until January 1, 2010, the governing body and the electors of a county, city, or city and county from authorizing or expanding any legal gaming beyond that permitted on January 1, 1996. The act authorizes a city, county, or city and county to issue a local gambling license to a gambling establishment, consistent with state law, if a majority of voters affirmatively approve an ordinance permitting controlled gambling, as specified. The act requires the measure to permit controlled gambling to appear on the ballot in a specified form, with the sample ballot setting forth the initial implementing ordinances, the hours of operation, the games to be played, the wagering limits, the maximum~~

~~number of gambling establishments, and number of tables to be permitted in each establishment.~~

~~This bill would delete the requirement that the sample ballot set forth the wagering limits of a proposed gambling establishment.~~

~~(2) The act requires, consistent with state law, any amendment to an ordinance that would result in an expansion of gambling, as defined, in a city, county, or city and county that permits controlled gambling, to be approved by a majority of the voters of the city, county, or city and county, unless the change results in an increase of less than 25% of any of the following in the city, county, or city and county: (A) the number of gambling tables, (B) the number of licensed card rooms, (C) the number of gambling tables that may be operated in a gambling establishment, (D) the hours of operation of a gambling establishment, or (E), among other things, the maximum amount permitted to be wagered in a game.~~

~~This bill would delete the exception for the maximum amount revise the definition of “expansion of gambling” to remove an increase of 25% or more in the amount permitted to be wagered in a game, and would make conforming changes affecting the definition of “expansion of gambling” for these purposes. from the definition. The bill would also make the definition of “expansion of gambling” used in that provision apply to additional provisions of the Gambling Control Act.~~

~~The Gambling Control Act provides that until January 1, 2010, an ordinance in effect on January 1, 1996, that authorizes legal gaming within a city, county, or city and county from being amended to expand gaming in that jurisdiction beyond that permitted on January 1, 1996.~~

~~This bill would revise that provision to prohibit an ordinance that authorizes legal gaming from being amended to provide for an expansion of gambling, as defined in a related provision within the Gambling Control Act. The bill would also authorize any city, county, or city and county to amend its ordinance regarding wagering limits.~~

~~Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.~~

The people of the State of California do enact as follows:

- 1 ~~SECTION 1. Section 19960 of the Business and Professions~~
- 2 ~~Code is amended to read:~~

1 19960. This chapter shall not prohibit the enactment,
2 amendment, or enforcement of any ordinance by any city,
3 county, or city and county relating to licensed gambling
4 establishments that is not inconsistent with this chapter. No city,
5 county, or city and county shall issue a gambling license with
6 respect to any gambling establishment unless one of the
7 following is true:

8 (a) The gambling establishment is located in a city, county, or
9 city and county wherein, after January 1, 1984, an ordinance was
10 adopted by the electors of the city, county, or city and county, in
11 an election conducted pursuant to former Section 19819 of the
12 Business and Professions Code, as that section read immediately
13 before its repeal by the act that enacted this chapter.

14 (b) The gambling establishment is located in a city, county, or
15 city and county wherein, prior to January 1, 1984, there was in
16 effect an ordinance that expressly authorized the operation of one
17 or more cardrooms.

18 (c) After the effective date of this chapter, a majority of the
19 electors voting thereon affirmatively approve a measure
20 permitting controlled gambling within that city, county, or city
21 and county.

22 (1) The measure to permit controlled gambling shall appear on
23 the ballot in substantially the following form:

24 “Shall licensed gambling establishments in which any controlled
25 games permitted by law, such as draw poker, low-ball poker,
26 panguine (pan), seven-card stud, or other lawful card games or
27 tile games, are played, be allowed in _____? Yes _____ No _____.”

28 (2) In addition, the initial implementing ordinances shall be
29 drafted and appear in full on the sample ballot and shall set forth
30 at least all of the following:

31 (A) The hours of operation.

32 (B) The games to be played.

33 (C) The maximum number of gambling establishments
34 permitted by the ordinance.

35 (D) The maximum number of tables permitted in each
36 gambling establishment.

37 (d) The authorization of subdivision (c) is subject to Sections
38 19962 and 19963 until those sections are repealed.

1 ~~SEC. 2.~~

2 ~~SECTION 1.~~ Section 19961 of the Business and Professions
3 Code is amended to read:

4 19961. (a) (1) Except as provided in paragraph (2), on or
5 after the effective date of this chapter, any amendment to any
6 ordinance that would result in an expansion of gambling in the
7 city, county, or city and county, shall not be valid unless the
8 amendment is submitted for approval to the voters of the city,
9 county, or city and county, and is approved by a majority of the
10 electors voting thereon.

11 (2) Notwithstanding paragraph (1) and Section 19962, an
12 ordinance may be amended without the approval of the electors
13 after the effective date of this chapter to expand gambling by a
14 change that results in an increase of less than 25 percent with
15 respect to any of the matters set forth in paragraphs (1), (2), (3),
16 and (5) of subdivision (b). Thereafter, any additional expansion
17 shall be approved by a majority of the electors voting thereon.

18 (b) For the purposes of this ~~section~~ *article*, “expansion of
19 gambling” means, when compared to that authorized on January
20 1, 1996, or under an ordinance adopted pursuant to subdivision
21 (a) of Section 19960, whichever is the lesser number, a change
22 that results in any of the following:

23 (1) An increase of 25 percent or more in the number of
24 gambling tables in the city, county, or city and county.

25 (2) An increase of 25 percent or more in the number of
26 licensed card rooms in the city, county, or city and county.

27 (3) An increase of 25 percent or more in the number of
28 gambling tables that may be operated in a gambling
29 establishment in the city, county, or city and county.

30 (4) The authorization of any additional form of gambling,
31 other than card games, that may be legally played in this state, to
32 be played at a gambling establishment in the city, county, or city
33 and county.

34 (5) An increase of 25 percent or more in the hours of operation
35 of a gambling establishment in the city, county, or city and
36 county.

37 (c) The measure to expand gambling shall appear on the ballot
38 in substantially the following form: “Shall gambling be expanded
39 in ____ beyond that operated or authorized on January 1, 1996,
40 by ____ (describe expansion) Yes ____ No ____.”

(d) The authorization of subdivision (c) is subject to Sections 19962 and 19963 until those sections are repealed.

(e) Increasing the number of games offered in a gambling establishment does not constitute an expansion of gambling pursuant to this section.

(f) No city, county, or city and county shall amend its ordinance in a cumulative manner to increase gambling by more than 25 percent for the factors listed in subdivision (b), when compared to that authorized on January 1, 1996, without conducting an election pursuant to this section.

SEC. 2. Section 19962 of the Business and Professions Code is amended to read:

19962. (a) On and after the effective date of this chapter, neither the governing body nor the electors of a county, city, or city and county that has not authorized legal gaming within its boundaries prior to January 1, 1996, shall authorize legal gaming.

(b) An ordinance in effect on January 1, 1996, that authorizes legal gaming within a city, county, or city and county may not be amended to ~~expand gaming~~ *provide for an expansion of gambling, as defined in Section 19961*, in that jurisdiction beyond that permitted on January 1, 1996.

(c) *Notwithstanding any other provision of law, a city, county, or city and county may amend its ordinance regarding wagering limits.*

~~(e)~~

(d) This section shall remain operative only until January 1, 2010, and as of that date is repealed.